



Virginia Real Estate Appraiser Board Guidance Document Customary and Reasonable Compensation for Fee Appraisers February 23, 2016

The Board is issuing this guidance document to interpret and implement the requirements of §§ 54.1-2021.1.B.2.k and 54.1-2022.1 of the *Code of Virginia*, and 18 VAC 130-30-160.15 of the Board's Appraisal Management Company Regulations as a means of providing information or guidance of general applicability to the public:

Licensed Appraisal Management Companies (AMCs) must provide customary and reasonable compensation to fee appraisers.

AMCs are presumed to comply with this requirement by compensating fee appraisers in an amount that is reasonably related to recent rates paid for comparable appraisal services performed in the geographic market of the property being appraised. In determining this amount, AMCs must review the following factors and make any adjustments to recent rates paid in the relevant geographic market to ensure the compensation is reasonable: 1) the type of property; 2) the scope of work; 3) the time in which appraisal services are required to be performed; 4) fee appraiser qualifications; 5) fee appraiser experience and professional record; and 6) fee appraiser work quality. AMCs must not engage in any anticompetitive acts in violation of state or federal law that affect the compensation paid to fee appraisers.

AMCs, alternatively, are presumed to comply with this requirement by determining the amount of compensation paid to fee appraisers by relying on information about rates that: 1) is based on objective third-party information,

including fee schedules, studies, and surveys prepared by independent third parties, such as government agencies, academic institutions, and private research firms; 2) is based on recent rates paid to a representative sample of providers of appraisal services in the geographic market of the property being appraised or the fee schedules of those providers; and 3) in the case of information based on fee schedules, studies, and surveys, such fee schedules, studies or surveys, or the information derived therefrom, excludes compensation paid to fee appraisers for appraisals ordered by AMCs.

The Board hereby adopts the United States Department of Veterans Affairs' *Roanoke Regional Loan Center Appraisal and Inspection Fees Schedule*, as published and updated from time-to-time, as a government agency fee schedule which AMCs may use as a presumption of compliance with the requirement to provide customary and reasonable compensation to Virginia fee appraisers (see attached).

The customary and reasonable fee for a complex assignment appraisal may reflect the increased time, difficulty and scope of work required for such an appraisal and include an amount over and above the customary and reasonable fee for non-complex assignments.

Attachment

Roanoke Regional Loan Center Effective August 1, 2014

Timeliness Requirements:

Origination Cases: 10 or fewer business days from the date the appraiser receives the assignment.

Liquidation Cases: 5 or fewer business days unless the property is vacant. If vacant, the appraiser must wait for interior access.

Appraisal and Inspection Fees:

Location	Type	Origination	Liquidation
District of Columbia, Maryland, Virginia, West Virginia	SFR/Condo/MH	\$450	\$500
	2-4 Family	\$600	\$650
Kentucky	SFR/Condo/MH	\$425	\$475
	2-4 Family	\$575	\$625

*Re-inspection Fees (Existing and New Construction, all locations) \$100

**Complex assignments still require the appraiser to negotiate a mutually acceptable fee with the lender and forward documentation of acceptance to VA for Approval/Concurrence prior to completing the assignment. Fees outside of current accepted market rates/practice are subject to denial.